

STATE OF HAWAII
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
HONOLULU, HAWAII

February 14, 1984

MEMORANDUM 1984-9

TO: Heads of Departments and Agencies
FROM: Hideo Murakami, Comptroller
SUBJECT: HELCO Assessment of Late Payment Charges

Attached for your information and files is a copy of a legal clarification we have received from the Attorney General's office on the above subject.

Inasmuch as the Public Utilities Commission's decision on late payment supersedes the general provision for interest on late payments (Sec. 103-10, H.R.S.), your department or agency should voucher HELCO late payment charges in accordance with the PUC decision. The special vouchering requirements described in Sec. 521 of the Accounting Manual (Volume II) do not apply to the HELCO late payment charges when they are paid.

Please note that the attached clarification applies only to HELCO. Electric utilities on islands other than Hawaii may be similarly affected in the future; however, as of this date, the general provision for interest on late payments in Section 103-10 of the Hawaii Revised Statutes would apply to any late payments to electric utilities other than HELCO.

As suggested in the last paragraph of the attached letter, all departments and agencies should use their best efforts to expedite payments to HELCO (and to other vendors as well) to avoid late payment charges.



HIDEO MURAKAMI
Comptroller

Attch.

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DEPARTMENT OF THE ATTORNEY GENERAL
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January 11, 1984

The Honorable Hideo Murakami
Comptroller
Department of Accounting and General Services
Kalanimoku Building
1151 Punchbowl Street
Honolulu, Hawaii 96813

Dear Mr. Murakami:

You submitted a written request for an opinion from our office as to whether:

1. HAWAII REV. STAT. §103-10 is applicable to Hawaii Electric Light Co., Inc. (hereinafter "HELCO").
2. The Public Utilities Commission's decision on late payment supersedes HAWAII REV. STAT. §103-10.

We understand that HELCO informed you by a letter dated August 30, 1983, that pursuant to the State of Hawaii Public Utilities Commission Decision and Order No. 7553, Docket No. 4393, HELCO intends to assess late payment charges against State agencies.

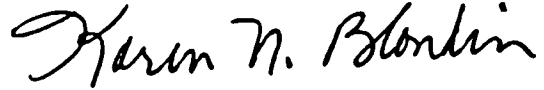
We received a copy of an opinion rendered by HELCO's attorneys which addresses the precise questions you raised and which concludes that the assessment of late payment charges against the State is lawful. We have reviewed and researched the opinion and found it to be sound. Moreover, at this time there does not appear to be a basis for opposing HELCO's intended action. Please be aware, however, that in the future we may challenge the application of such a charge against the State should legal theories develop which provide us with a legal basis to do so.

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In the meantime, we can only suggest that all State agencies use their best efforts to expedite payments to HELCO in order to avoid the assessment of late payment charges.

Very truly yours,



KAREN N. BLONDIN
Deputy Attorney General

APPROVED:



TANY S. HONG
Attorney General